IN THE SPECIFICATION

Please add the following paragraph before the first paragraph beginning at page 1, line 1:

CROSS REFERENCE TO RELATED APPLICATION

This application claims the benefit of U.S. provisional application serial no. 60/463,747 filed April 18, 2003 and application serial no. 60/490,835 filed July 29, 2003, which are incorporated herein by reference.

The present invention is related to scalable video coding systems, in particular, the invention relates to a general rate-distortion optimized data partitioning (gRDDP) of discrete cosine transform (DCT) coefficients for video transmission over packet lossy network using a parametric rate-distortion (RD) model.